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Statement by the Press Secretary

The following is a summary of Secretary Christopher's report to the President pursuant to the Executive Order on MFN.

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CHINA'S MFN STATUS: SUMMARY OF THE REPORT AND RECOMMENDATIONS
of
SECRETARY OF STATE WARREN CHRISTOPHER

China's Human Rights Performance and Executive Order 12850

We have reviewed China's human rights performance in light of the conditions specified in Executive Order 12850 (May 28, 1993). In making a recommendation with respect to China's MFN status, we have also taken into account the full range of our national objectives, responsibilities and security interests including our determination to promote human rights as a significant element of our foreign policy.

China's compliance with the Executive Order's two mandatory conditions has been sufficient to permit a recommendation that its MFN eligibility be renewed. The Chinese have resolved all pending emigration cases, including long-standing ones, we have pressed upon them this year. Jackson-Vanik criteria as well as our specific goals were met, and we believe that MFN extension will promote further cooperation.

China is in compliance with terms of the 1992 bilateral Memorandum of Understanding on prison labor exports called for by EO 12850. We are concerned at reports indicating that some goods made by prison labor in China are still being exported to the United States. U.S. Customs is looking closely at the evidence and will take appropriate enforcement actions should such be warranted.

With respect to the five additional areas identified, China has made gains in human rights but has not achieved the "overall, significant progress" contemplated by the Executive Order. There was important, ongoing progress in several areas: China's public declaration of adherence to the Universal Declaration of Human Rights; the release of prominent Tiananmen era prisoners Wang Juntao and Chen Ziming and several other prisoners of conscience; substantive discussions with the ICRC concerning possible future access to prisoners; the release of Tibetan dissidents Gendun Rinchen and Lobsang Yonten; and the Chinese decision to review VOA jamming with U.S. experts.

These positive developments cannot be said to meet the expectations set forth in the EO. Despite the several significant prisoner releases, many more dissidents were detained, tried, and sentenced during a nation-wide crackdown on political and religious dissent. New laws were codified which, if enforced, would abridge the political and religious rights of individual Chinese. Negotiations with the ICRC have not yet resulted in any Chinese commitment to permit access to prisons and prisoners. Tibetans who peacefully protest their support for political and religious independence continue to be jailed. The Chinese ignored conciliatory public statements by the Dalai Lama and refused to enter into a dialogue with him.

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Some jamming of VOA continues and the Chinese have strongly protested the establishment of Radio Free Asia.

Extension of MFN Without Conditions

A determination that the Chinese human rights performance fell short of the Executive Order's "overall, significant progress" standard does not by itself require a recommendation against extension of China's MFN eligibility. We have kept centrally in mind the importance of fostering, not stifling, progress in China toward universally-accepted standards of human rights. Our judgment is that revocation of China's MFN status would serve neither the interest of promoting human rights progress in China nor the interest this nation has in maintaining mutually advantageous ties with China. Executive Order 12850 set an appropriate agenda, and was an effective mechanism for pursuit of that agenda. However, we believe that our human rights objectives may now be best pursued with China without conditioning MFN eligibility, but rather through a broad package of initiatives. Extension of China's MFN eligibility hereafter will be considered through an annual report to the Congress concerning freedom of emigration, as required by Jackson-Vanik provisions.

Continuation of Certain Sanctions

At the same time, owing to China's failure to achieve "overall, significant progress" in the terms envisioned by Executive Order 12850, certain sanctions imposed following the 1989 Tiananmen Square tragedy will remain in force. The President will determine, in the course of ongoing review of China's human rights performance, whether and when it might be appropriate to lift these sanctions. These sanctions are: (1) suspension of weapons deliveries under both commercial and government programs; (2) denial of licenses for dual-use civilian technology items for the Chinese police or military; (3) suspension of consideration of licenses for U.S. Munitions List items; (4) ineligibility of China to participate in programs under the Trade and Development Agency (TDA), Overseas Private Insurance Corporation (OPIC), and the US-Asia Environment Partnership Program; and (5) withholding of U.S. support for World Bank and other multilateral development bank lending to China except for projects meeting basic human needs.

Imposition of Import Ban on Weapons and Ammunition

Under legal authority granted by the Arms Export Control Act to restrict arms imports on foreign policy grounds, there will be an immediate import ban on munitions from China, consisting primarily of arms and ammunition.

Our Future Policy Approach on Human Rights in China

We will pursue human rights concerns aggressively and constructively with the Chinese in the framework of the comprehensive engagement strategy approved by the President last year. Our broad objective will be to underscore our

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undiminished commitment to keep human rights prominently on the bilateral agenda, and to make plain that the quality of the U.S.-China bilateral relationship will hinge significantly upon continued Chinese human rights progress in the areas we have pointed to previously. We will plan to use a variety of instruments to encourage human rights progress in China:

- Intensified dialogue with China on human rights.
- Support for efforts underway in China to promote the rule of law, in particular for efforts to achieve legal reforms aimed at specific human rights abuses.
- Stepped-up use of media (VOA, Radio Free Asia) to broadcast, in both Chinese and Tibetan, information needed by China's increasingly sophisticated audience to promote domestic modernization and broader external contacts including adherence to basic principles of human rights.
- Closer cooperation with other nations, especially in the U.N., the U.N. Human Rights Commission and other international fora, to monitor, draw attention to, and press our views on the Chinese human rights situation. In that regard, while recognizing Tibet as an integral part of China, we will call for a substantially improved human rights situation there and promote substantive discussions--on an agreed agenda, at an early fixed date--between the Dalai Lama and the Chinese government.
- Consultation with the U.S. private sector in an effort to establish a voluntary statement of principles for U.S. business firms operating in China.
- Increased support for those attempting to create an active civil sector in China by working with human rights groups, professional associations, academics, consumer advocacy groups, and others who are promoting human rights and legal reform.

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